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August 21, 1980

Mr. Vincent Weiner
Philip Morris Incorporated
100 Park Avenue
New York, New York 10017

Dear Vince:

Enclosed is a draft of the advertising agreement for the Meadows Race Track at Meadow Lands, Pennsylvania. This draft contains the provision that we discussed, which was not included in the draft already reviewed by the operators of the race track; namely, that if fewer than 450,000 spectators attend events at the track during a Contract Year (as per paragraph 2.6, to which Washington Trotting Association raised no objection), then a refund proportionate to the shortfall in the number of spectators shall be paid to Philip Morris at the close of the Contract Year (as provided in paragraph 4.3 of the new draft).

You will note also that in paragraph 4.4 (paragraph 4.3 of the draft submitted previously to WTA) a similar proportionate refund is provided for in case scheduled racing events should be cancelled. I assume that WTA would probably object to being required to give a refund under paragraph 4.4 so long as they had met the minimum spectator requirement of paragraph 2.6. Accordingly, I have provided that Philip Morris would not receive a refund pursuant to paragraph 4.4 in the event that you choose to receive a refund under paragraph 4.3 instead. In other words, if some scheduled events were cancelled and there were also fewer than 450,000 spectators during the year, you would be entitled to elect the greater of the refund amounts provided for in those two paragraphs. Of course, we could always drop the final clause of paragraph 4.4 and allow for the possibility of a double refund, although I would expect that WTA might balk at that.

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Mr. Vincent Weiner
Philip Morris Incorporated

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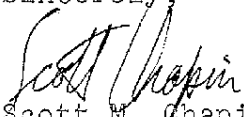
August 21, 1980

Finally, I have retained paragraph 5.4 which gives you the right to terminate the agreement following the final event of any Contract Year, in case there are fewer than 450,000 spectators in attendance during such year. In that event, you could elect a refund in accordance with either paragraph 5.5 or paragraph 4.3 (or both, if we modify paragraphs 4.4 and 5.5 as indicated above).

As to fringe benefits, I deleted the provision for club membership upon your supposition that there is no club at the track. However, I retained the provision (in paragraph 2.7) that Philip Morris would receive four prime seats for all events.

If you have any questions or would like any modifications to this draft, please don't hesitate to call.

Sincerely,


Scott M. Chapin

Enc.

cc: G. Carlton Adkins, Esq.
(w/encl.)

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